

VZCZCXRO6503  
RR RUEHLMC  
DE RUEHLM #0758/01 1450901  
ZNR UUUUU ZZH  
R 250901Z MAY 07  
FM AMEMBASSY COLOMBO  
TO RUEHC/SECSTATE WASHDC 6122  
INFO RUCPDOG/USDOC WASHDC  
RUEHNE/AMEMBASSY NEW DELHI 1007  
RUEHKA/AMEMBASSY DHAKA 0144  
RUEHIL/AMEMBASSY ISLAMABAD 7125  
RUEHKT/AMEMBASSY KATHMANDU 5220  
RUEHCG/AMCONSUL CHENNAI 7711  
RUEHLMC/MILLENNIUM CHALLENGE CORPORATION

UNCLAS SECTION 01 OF 03 COLOMBO 000758

SIPDIS

SIPDIS

STATE FOR SCA/INS AND OES/STC K FERGUSON  
MCC FOR S GROFF, D TETER, D NASSIRY, AND E BURKE

E.O 12958: N/A  
TAGS: [ECON](#) [EAID](#) [SENV](#) [CE](#)

SUBJECT: SRI LANKA: SOLID WASTE ACCUMULATES AS AUTHORITIES FAIL TO  
PLAN OR MANAGE

¶1. Summary: Solid Waste Management in Sri Lanka, particularly in urban areas, is a severe environmental issue. Around 6,400 tons of waste is generated each day in Sri Lanka, and only 40% of this volume is collected. Sri Lanka has not created sufficient landfill space to keep up with the volume of waste it is generating. Absence of proper management practices, lack of political will, and corruption within the relevant authorities also contribute to the adverse situation. Sri Lanka has a published national strategy on solid waste disposal, but it lacks a detailed plan for how to implement the strategy. To address this, the Central Environmental Authority is drafting for parliamentary approval a national plan for solid waste management. The Board of Investment offers incentives for solid waste projects which could present opportunities for U.S. companies in the waste management and waste-to-energy sectors. End Summary.

#### SOLID WASTE MISMANAGEMENT: THE PROBLEM

-----

¶2. Sri Lanka is rapidly piling up unmanaged solid waste. Experts blame ineffective, often haphazard disposal practices, which are not nearly keeping up with the country's rising rate of new trash generation. Uncollected waste is widespread in many areas of the greater Colombo region, including on Colombo's main commercial road within a few blocks of the Embassy compound.

¶3. The solid waste problem is most severe in Sri Lanka's prosperous and densely populated Western Province, with that region's waste collection averaging 1,800 tons per day. The Eastern Province collects the second largest quantity of refuse, with approximately 350 tons collected daily, and has begun to experience the same problems currently facing the Western Province. Biodegradable substances (wood, paper, plastics, glass, saw dust, paddy husks, garments, slaughterhouse waste and metal) comprise around 60% of solid waste collected in the country.

¶4. Local government authorities are responsible for managing solid waste disposal. Many municipalities lack sorting and treatment facilities and contract out this service. Their solid waste contractors often simply deposit the waste in uncontrolled landfills in the outskirts of cities and towns. Solid waste from Board of Investment (BOI) export processing zones is collected by local authorities and contracted private collectors. The waste is often disposed at uncontrolled landfills near the zones, with minimal recycling taking place.

¶5. Under the proposed national plan on solid waste, which is currently in draft form, all local authorities will be required to

have their own disposal systems. Rapid economic changes resulting from more liberal and Pro-growth industrial policies of the past two decades have not been balanced by necessary urban planning and infrastructure

#### COLOMBO'S MILLION TON GARBAGE MOUNTAIN

-----

¶6. The Colombo Municipal Council (CMC) is responsible for collection of garbage within Colombo municipal limits. Its fleet of trash trucks cannot collect all the waste in the city, however. For this reason, the council also contracts waste collection out to private firms. The council and private trash collectors dispose Colombo's garbage at a 12-acre open plot within Colombo city limits. Current estimates place the garbage accumulated at this site at well over 1 million tons. The CMC has contracted with another private company to manage the dump. The contract requires this company to convert the organic content within the garbage to compost fertilizer. However, the waste is accumulating faster than the company can manage it. The small percentage of the waste actually converted to compost is sold by the company in the local market. The rest is added to the rapidly mounting garbage heap at the site. According to local environmental experts, the company accepts solid waste from jurisdictions outside Colombo, exacerbating the problem.

#### CORRUPTION IN GARBAGE

-----

¶7. Environmental NGOs, donor agency experts, and privately even some government officials allege that corruption in waste disposal is widespread. Currently, a sum of around \$6-7 is paid per ton of garbage collected. There is little or no accountability in how

COLOMBO 00000758 002 OF 003

payments are made to private collectors or dump management companies. These factors are sufficient to create an incentive for local authorities and private companies to falsify volumes of actual garbage collected in order to receive higher payments. Further, local authorities expect commissions from private sector collection contractors. Hence, they show little resolve to adopt effective waste management practices.

¶8. Additionally, the lack of transparency in contracting processes lends credibility to accusations of corruption in the solid waste sector. According to a World Bank regional environmental specialist, government authorities have failed to draw up proper agreements with contractors in solid waste disposal, especially in the greater Colombo area. These agreements lack clauses to deal with performance standards, monitoring, or penalties to be applied for breach of contract. There thus has been no pressure on either the government authorities or the private contractors to do the job properly.

#### ENVIRONMENTAL AND HEALTH HAZARDS POSED BY TRASH ACCUMULATION

-----

¶9. The consequences of this poor solid waste management are that Colombo's mountain of garbage, and smaller mismanaged garbage dumps around Sri Lanka, cause serious environmental damage, including:

- Carbon monoxide emissions, contributing unnecessarily to global warming;
- Soot, which adds to airborne particulate matter;
- Pollution of ground water.

The health implications are also significant:

- Respiratory diseases due to air pollution;
- Waterborne disease due to water contamination;
- Dengue, chikungunya and other viral infections due to breeding of mosquitoes that transmit these diseases.

¶10. Recognizing the significance of these hazards, the Director of Environment at the Ministry of Environment and Natural Resources

informed Econ FSN that the government is looking for assistance from donors. He would like to implement a program to reduce and recycle the garbage in Colombo's dump yard. He also seeks financial assistance to purchase additional trucks to be used to collect waste.

#### THIN POLYTHENE BAN - COMPLIANCE LIMITED

-----

¶11. In January, Sri Lanka imposed a ban on polythene with a thickness of up to 20 microns. According to the Secretary to the Ministry of Environment, thin gauge plastic has a particularly harmful effect on the environment. Such thin plastic accumulates in the environment, getting caught up in trees, gathering in bunches, and clogging up drainage systems. It is hard to unravel and dispose of in an environmentally friendly manner. Further, it is difficult to recycle as it cannot be effectively cleaned, according to Dr. Ajantha Perera, the founder of the National Program on Recycling Solid Waste. She notes that thicker bags are easier to clean and more likely to be reused. The Ministry of Environment intends to extend the ban to cover plastic up to a thickness of 70 microns.

¶12. Comment: While the government's goal is laudable, progress is not easy. The ban has proven hard to enforce. Supermarkets and shops continue to offer shopping bags of a thin gauge. Further, it is unclear that consumer actually reuse the thicker bags more, so the ban risks actually adding to the total volume of plastic that is disposed of. End Comment.

#### RECYCLING - LARGELY AN INFORMAL SECTOR INDUSTRY

-----

¶13. Recycling of inorganic garbage is mainly carried out through an informal market system, rather than in a planned manner. According to the Asian Institute of Technology and the World Bank, recycling technologies in Sri Lanka are unsophisticated and expensive. Items are recovered at different stages in the collection process - at household level, during collection and transport, and at final disposal sites. The types of items recovered include plastic, glass, ferrous and non-ferrous material, waste paper and cardboard.

COLOMBO 00000758 003 OF 003

Recyclables are sold to collection shops which clean and either export them or sell them to local industries. However, plastic waste collection is incomplete in this informal market, since already recycled plastic pellets can be imported at lower-cost from India and elsewhere.

¶14. Opportunities for recycling are greater in urban areas, particularly in the Western Province, due availability of larger volume of waste. Therefore, design of future recycling programs must be consistent with the amount and type of waste generated from urban and rural areas. The Colombo Municipal Council and a local NGO are implementing limited recycling programs in some parts of Colombo and the southern region, respectively.

#### INVESTMENT OPPORTUNITIES IN SOLID WASTE PROJECTS

-----

¶15. The Board of Investment (BOI) offers incentives for investors in the solid waste sector. Investments of up to \$500,000 qualify for five year income tax holidays and duty exemptions for capital goods. Large scale projects with a minimum investment of \$12.5 million qualify for tax holidays up to fifteen years and duty free import of capital goods. Several solid waste projects are currently in the BOI approval process, including a waste-to-energy project using relatively new U.S.-based plasma technology. Another U.S. company is also exploring the possibility of implementing a similar project using the same technology with an additional component of waste-to-compost factored into the project. Some local experts are uncertain of the viability of the plasma technology and its effectiveness and economic feasibility to resolve the garbage problem as it has not been widely implemented previously.

#### EMBASSY DVC BRINGS U.S. ADVICE TO SRI LANKA

-----

¶16. Post organized a Digital Video Conference featuring Wesley Chesbro, a founding member of the California Integrated Waste Management Board, and a leader in California's modern recycling movement. Key figures from the country's environmental sector including government officials, academics, donors, and environmental activists participated in this program. Chesbro urged patience and persistence to implement effective solutions to waste problems, adding that his city took around fifteen years to implement an effective waste recycling program. Participants also discussed making producers more responsible for reducing waste, using garbage collection fees as incentives for waste reduction, and developing a broader acceptance of recycling technologies among Sri Lankan consumers.

¶17. Comment: Sri Lanka, as it develops and urbanizes, is consuming more packaged products and producing more garbage, but reusing or recycling less. Unless it soon begins to reverse this trend, it could lose its reputation as "the pearl of the Indian Ocean." Currently, aside from a few impressive but limited grass roots efforts, neither government nor the private sector has taken the lead to address the trash problem. Post will seek to steer interested Sri Lankans toward expert assistance, best practices, and new technologies to improve waste management. We will also look out for opportunities for U.S. companies to provide expertise or sell equipment in the waste management and waste-to-energy sectors.  
BLAKE